

WEST BRANCH COMMUNITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORTS,
BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND SCHEDULE OF FINDINGS

JUNE 30, 2014

WEST BRANCH COMMUNITY SCHOOL DISTRICT

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WEST BRANCH COMMUNITY SCHOOL DISTRICT
Officials
June 30, 2014

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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Board of Education

(Before September 2013 Election)

Mike Owen	Board President	2013
Carolyn Harold	Board Member	2013
Kathy Knoop	Board Member	2015
Deb Schreiber	Board Member	2015
Richard Paulus	Board Member	2015

(After September 2013 Election)

Kathy Knoop	Board President	2015
Deb Schreiber	Board Member	2015
Richard Paulus	Board Member	2015
Mike Colbert	Board Member	2017
Mike Owen	Board Member	2017

School Officials

Kevin Hatfield	Superintendent	2014
Angie Klinkkammer	District Secretary/Treasurer	Indefinite
C. Joseph Holland	Attorney	Indefinite

Kay L. Chapman, CPA PC

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Muscatine, Iowa 52761
563-264-1385
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Independent Auditor's Report

To the Board of Education
West Branch Community School District:

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of West Branch Community School District, West Branch, Iowa, as of and for the year ended June 30, 2014, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of West Branch Community School District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 5 through 14 and 45 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Branch Community School District's basic financial statements. I previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2013 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 5, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated February 26, 2015 on my consideration of West Branch Community School District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering West Branch Community School District's internal control over financial reporting and compliance.

Kay L. Chapman, CPA PC

Kay L. Chapman, CPA PC
February 26, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

West Branch Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2014. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2014 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$7,982,639 in fiscal 2013 to \$8,613,688 in fiscal 2014, and General Fund expenditures increased from \$8,169,873 in fiscal 2013 to \$8,413,018 in fiscal 2014. The District's General Fund balance increased from \$1,271,890 in fiscal 2013 to \$1,472,560 in fiscal 2014, a 16% increase.
- The increase in General Fund revenues was attributable to an increase in enrollment, Medicaid reimbursement and Federal funds such as Title I. The increase in General Fund expenditures was primarily due to salary and benefit increases as well as some additional programs.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of West Branch Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report West Branch Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which West Branch Community School District acts solely as an agent or custodian for the benefit of those outside of District government.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the Schedule of Funding Progress for the Retiree Health Plan.

Supplementary Information provides detailed information about the nonmajor governmental funds.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

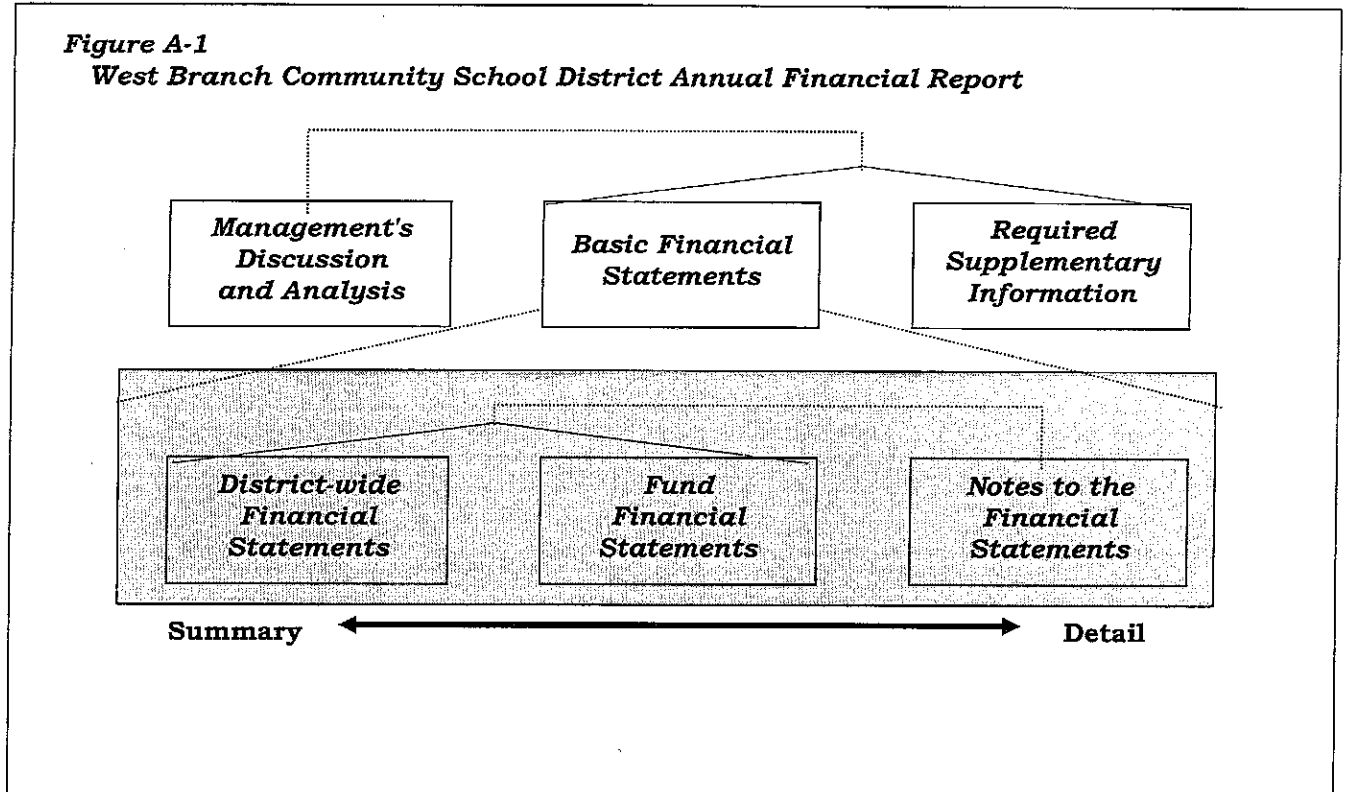


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services	Instances in which the District administers resources on behalf of someone else, such as student assistance programs
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants.

The District has three kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Capital Projects, Debt Service and Special Revenue Funds.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) *Proprietary fund:* Services for which the District charges a fee are generally reported in a proprietary fund. The proprietary fund is reported in the same way as the government-wide financial statements. The District's enterprise fund, one type of proprietary fund, are the same as its business type activity, but provide more detail and additional information, such as cash flows. The District currently has one enterprise fund, the School Nutrition Fund.

The required financial statements for the proprietary fund include a statement of net position, a statement of revenues, expenses and changes in fund net position and a statement of cash flows.

3) *Fiduciary fund*: The District is the trustee, or fiduciary, for assets that belong to others. This fund consists of an Agency Fund.

- Agency Fund – This is a fund through which the District administers and accounts for a student assistance program.

The District is responsible for ensuring the assets reported in the fiduciary fund are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for the fiduciary fund include a statement of fiduciary net position. A statement of changes in fiduciary net position is included as supplementary information.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follow the governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2014 compared to June 30, 2013.

Figure A-3

	Condensed Statement of Net Position						
	Governmental		Business Type		Total		Total
	Activities		Activities		School District		Change
	2014	2013	2014	2013	2014	2013	2013-2014
Current and other assets	\$ 9,448,978	\$ 8,254,200	\$ 90,112	\$ 86,821	\$ 9,539,090	\$ 8,341,021	14.36%
Capital assets	<u>8,452,539</u>	<u>8,735,711</u>	<u>23,559</u>	<u>21,069</u>	<u>8,476,098</u>	<u>8,756,780</u>	-3.21%
Total assets	<u>17,901,517</u>	<u>16,989,911</u>	<u>113,671</u>	<u>107,890</u>	<u>18,015,188</u>	<u>17,097,801</u>	5.37%
Long-term liabilities	4,681,446	5,016,667	-	-	4,681,446	5,016,667	-6.68%
Other liabilities	<u>246,429</u>	<u>167,361</u>	<u>5,622</u>	<u>4,572</u>	<u>252,051</u>	<u>171,933</u>	46.60%
Total liabilities	<u>4,927,875</u>	<u>5,184,028</u>	<u>5,622</u>	<u>4,572</u>	<u>4,933,497</u>	<u>5,188,600</u>	-4.92%
Deferred inflows of resources	<u>4,529,070</u>	<u>4,272,692</u>	-	-	<u>4,529,070</u>	<u>4,272,692</u>	6.00%
Net position							
Net investment in capital assets	4,147,539	3,930,711	23,559	21,069	4,171,098	3,951,780	5.55%
Restricted	3,444,560	2,721,499	-	-	3,444,560	2,721,499	26.57%
Unrestricted	<u>852,473</u>	<u>880,981</u>	<u>84,490</u>	<u>82,249</u>	<u>936,963</u>	<u>963,230</u>	-2.73%
Total net position	<u>\$ 8,444,572</u>	<u>\$ 7,533,191</u>	<u>\$ 108,049</u>	<u>\$ 103,318</u>	<u>\$ 8,552,621</u>	<u>\$ 7,636,509</u>	12.00%

The District's combined net position increased by approximately 12%, or \$916,112, over the prior year. The largest portion of the District's net position is the restricted net position. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$723,061, or approximately 27% over the prior year. The increase in the restricted net position was caused by the District utilizing categorical funding to a higher degree. The District continues to enhance student programs with the categorical funding available.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased \$26,267, or 3%. The decrease was primarily due to the District's amount of revenue in 2014 in relation to expenditures.

Figure A-4 shows the changes in net position for the year ended June 30, 2014 compared to the year ended June 30, 2013.

Figure A-4

	Change in Net Position						
	Governmental Activities		Business Type Activities		Total District		Total Change
	2014	2013	2014	2013	2014	2013	2013-2014
Revenues							
Program revenues							
Charges for service	\$ 717,330	\$ 881,916	\$ 158,014	\$ 184,906	\$ 875,344	\$ 1,066,822	-17.95%
Operating grants	1,262,981	1,108,115	135,263	127,533	1,398,244	1,235,648	13.16%
General revenues							
Property tax	4,896,559	4,381,680	-	-	4,896,559	4,381,680	11.75%
Statewide sales, services and use tax	750,260	631,860	-	-	750,260	631,860	18.74%
Unrestricted state grants	3,207,219	2,998,458	-	-	3,207,219	2,998,458	6.96%
Contributions and donations	1,658	7,470	-	-	1,658	7,470	-77.80%
Unrestricted investment earnings	15,318	10,866	392	698	15,710	11,564	35.85%
Other	73,416	4,292	-	-	73,416	4,292	1610.53%
Special item - gain on sale of assets	<u>18,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,685</u>	<u>-</u>	100.00%
Total revenues and special item	<u>10,943,426</u>	<u>10,024,657</u>	<u>293,669</u>	<u>313,137</u>	<u>11,237,095</u>	<u>10,337,794</u>	8.70%
Program expenses							
Governmental activities							
Instruction	6,282,199	6,114,134	-	-	6,282,199	6,114,134	2.75%
Support services	2,973,570	2,848,817	-	-	2,973,570	2,848,817	4.38%
Non-instructional programs	-	-	288,938	296,373	288,938	296,373	-2.51%
Other expenses	<u>776,276</u>	<u>868,284</u>	<u>-</u>	<u>-</u>	<u>776,276</u>	<u>868,284</u>	-10.60%
Total expenses	<u>10,032,045</u>	<u>9,831,235</u>	<u>288,938</u>	<u>296,373</u>	<u>10,320,983</u>	<u>10,127,608</u>	1.91%
Change in net position	911,381	193,422	4,731	16,764	916,112	210,186	335.86%
Net position beginning of year	<u>7,533,191</u>	<u>7,339,769</u>	<u>103,318</u>	<u>86,554</u>	<u>7,636,509</u>	<u>7,426,323</u>	2.83%
Net position end of year	<u>\$ 8,444,572</u>	<u>\$ 7,533,191</u>	<u>\$ 108,049</u>	<u>\$ 103,318</u>	<u>\$ 8,552,621</u>	<u>\$ 7,636,509</u>	12.00%

In fiscal 2014, property tax and unrestricted state grants account for 74% of the revenue from governmental activities while charges for service and sales and operating grants and contributions account for approximately 99% of the revenue from business type activities.

The District's total revenues were \$11,237,095 of which \$10,943,426 was for governmental activities and \$293,669 was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 9% increase in revenues and a 2% increase in expenses. Revenues increased due to an increase in enrollment. Expenditures increased primarily due to salaries as well as increase due to inflation.

Governmental Activities

Revenues for governmental activities were \$10,943,426 and expenses were \$10,032,045 for the year ended June 30, 2014. The District continues to attempt to keep expenses below revenues whenever possible to maintain a strong financial position.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2014 compared to the year ended June 30, 2013.

Figure A-5

	Total and Net Cost of Governmental Activities					
	Total Cost of Services			Net Cost of Services		
	2014	2013	Change 2013-2014	2014	2013	Change 2013-2014
Instruction	\$ 6,282,199	\$ 6,114,134	2.7%	\$ 4,630,129	\$ 4,432,807	4.5%
Support services	2,973,570	2,848,817	4.4%	2,965,046	2,840,210	4.4%
Other expenses	<u>776,276</u>	<u>868,284</u>	-10.6%	<u>456,559</u>	<u>568,187</u>	-19.6%
Total expenses	<u>\$ 10,032,045</u>	<u>\$ 9,831,235</u>	2.0%	<u>\$ 8,051,734</u>	<u>\$ 7,841,204</u>	2.7%

For the year ended June 30, 2014:

- The cost financed by users of the District's programs was \$717,330.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$1,262,981.
- The net cost of governmental activities was financed with \$5,646,819 in property and other taxes and \$3,207,219 in unrestricted state grants.

Business Type Activities

Revenues for business type activities during the year ended June 30, 2014 were \$293,669 representing a 7% decrease from the prior year while expenses totaled \$288,938, a 3% decrease from the prior year. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

The District saw a decrease in revenues due to a decrease in student meal sales. The District continues to try and enhance school lunches by implementing salad bars and providing more fruits and vegetables.

INDIVIDUAL FUND ANALYSIS

As previously noted, West Branch Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$4,320,653 significantly above last year's ending fund balances of \$3,483,758. The primary reason for the increase in combined fund balances in fiscal 2014 is a decrease in the Capital Projects fund expenditures.

Governmental Fund Highlights

- The General Fund balance increased from \$1,271,890 to \$1,472,560. This was due to an increase in revenue from increased enrollment.
- The Capital Projects Fund – Statewide Sales, Services and Use Tax fund balance increased from \$1,324,318 in 2013 to \$1,762,425 in 2014. This is primarily due to a decrease in expenditures in the Capital Projects fund.
- The Capital Fund – Physical Plant and Equipment Levy fund balance increased from \$602,504 in 2013 to \$777,807 in 2014 due to the timing of projects. The District did not complete any major projects funded by the PPEL fund during the year due to the completion of the Master Facilities Plan, in which projects will begin next year.

Proprietary Fund Highlights

Enterprise fund net position increased from \$103,318 at June 30, 2013 to \$108,049 at June 30, 2014, representing an increase of approximately 5%. The District continues to make a concerted effort to hold down costs whenever possible.

BUDGETARY HIGHLIGHTS

The District did not amend its budget during the year ended June 30, 2014.

The District's revenues were \$698,990 more than budgeted revenues, a variance of approximately 7%.

Total expenditures were \$2,241,543 less than budgeted, due primarily to the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2014, the District had invested \$8,476,098, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net decrease of approximately 3% from the prior year. More detailed information about the District's capital assets is presented in Note 4 to the financial statements. Depreciation expense for the year was \$318,320.

The original cost of the District's capital assets was \$14,741,894. Governmental funds account for \$14,599,593, with the remainder of \$142,301 accounted for in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the improvements, other than buildings category, which decreased to \$371,109 at 2014 from \$406,161 in 2013. This was due to annual depreciation expense.

Figure A-6

	Capital Assets, Net of Depreciation						
	Governmental		Business Type		Total		Total
	Activities		Activities		District		Change
	2014	2013	2014	2013	2014	2013	2013-2014
Land	\$ 116,055	\$ 116,055	\$ -	\$ -	\$ 116,055	\$ 116,055	0.00%
Buildings and improvements	7,742,226	7,967,669	-	-	7,742,226	7,967,669	-2.83%
Improvements, other than buildings	371,109	406,161	-	-	371,109	406,161	-8.63%
Furniture and equipment	223,149	245,826	23,559	21,069	246,708	266,895	-7.56%
Totals	<u>\$8,452,539</u>	<u>\$8,735,711</u>	<u>\$23,559</u>	<u>\$21,069</u>	<u>\$ 8,476,098</u>	<u>\$8,756,780</u>	-3.21%

Long-Term Debt

At June 30, 2014, the District had \$4,681,446 in total long-term debt outstanding. This represents a decrease of approximately 7% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

The District continues to carry a general obligation bond rating of Aa3 assigned by national rating agencies to the District's debt. The Constitution of the State of Iowa limits the amount of general obligation debt districts can issue to 5 percent of the assessed value of all taxable property within the District. The District's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$15.7 million.

Figure A-7

Outstanding Long-term Obligations

	Total District		Total Change
	<u>2014</u>	<u>2013</u>	<u>2013-2014</u>
General obligation bonds	\$ 1,455,000	\$ 1,820,000	-20.05%
Revenue bonds	2,850,000	2,985,000	-4.52%
Termination benefits	129,907	-	100.00%
Compensated absences	34,593	42,454	-18.52%
Net OPEB liability	<u>211,946</u>	<u>169,213</u>	25.25%
Total	<u>\$ 4,681,446</u>	<u>\$ 5,016,667</u>	-6.68%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The District's enrollment had a sizeable decrease in the fall of 2014 which will have an impact on revenues for the 2015-16 year.
- The Board of Education approved the District's 15-Year Master Facilities Plan. The plan is supportive of long-term facilities improvements. These improvements, of which some have already begun, will provide exceptional facilities to meet the education and career challenges ahead. The Plan will help with steady growth by attracting more families and students to the area.
- The District is currently in negotiations with the Association. Considering the unknown of supplemental state aid it will be difficult, coupled with the decline in enrollment, the District will need to make cost containments in 2015-16 in order to maintain strong financial health.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Angie Klinkkammer, Business Manager/Board Secretary/Treasurer, West Branch Community School District, 801 W Main Street, West Branch, IA 52358.

Basic Financial Statements

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

Exhibit A

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Assets			
Cash, cash equivalents and pooled investments			
Cash with fiscal agent	\$ 446,560	\$ -	\$ 446,560
Other	3,568,868	84,674	3,653,542
Receivables	-		
Property tax			
Delinquent	50,091	-	50,091
Succeeding year	4,529,070	-	4,529,070
Accounts receivable	65,625	1,352	66,977
Income surtax	409,002	-	409,002
Due from other governments	379,762	2,846	382,608
Inventories	-	1,240	1,240
Non-depreciable capital assets	116,055	-	116,055
Capital assets, net of accumulated depreciation	<u>8,336,484</u>	<u>23,559</u>	<u>8,360,043</u>
Total assets	<u>17,901,517</u>	<u>113,671</u>	<u>18,015,188</u>
Liabilities			
Accounts payable	185,208	5,622	190,830
Salaries and benefits payable	5,045	-	5,045
Accrued interest payable	56,176	-	56,176
Long-term liabilities			
Portion due within one year			
General obligation bonds	370,000	-	370,000
Revenue bonds	135,000	-	135,000
Termination benefits	94,225	-	94,225
Portion due after one year			
General obligation bonds	1,085,000	-	1,085,000
Revenue bonds	2,715,000	-	2,715,000
Termination benefits	35,682	-	35,682
Compensated absences	34,593	-	34,593
Net OPEB liability	<u>211,946</u>	<u>-</u>	<u>211,946</u>
Total liabilities	<u>4,927,875</u>	<u>5,622</u>	<u>4,933,497</u>
Deferred Inflows of Resources			
Unavailable property tax revenue	<u>4,529,070</u>	<u>-</u>	<u>4,529,070</u>

See notes to financial statements.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

Exhibit A

	Governmental Activities	Business Type Activities	Total
Net Position			
Net investment in capital assets	\$ 4,147,539	\$ 23,559	\$4,171,098
Restricted for			
Categorical funding	561,479	-	561,479
Student activities	120,069	-	120,069
Management levy purposes	17,779	-	17,779
Physical plant and equipment	982,308	-	982,308
School infrastructure	1,762,925	-	1,762,925
Unrestricted	852,473	84,490	936,963
Total net position	<u>\$ 8,444,572</u>	<u>\$108,049</u>	<u>\$ 8,552,621</u>

See notes to financial statements.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Statement of Activities

For the Year Ended June 30, 2014

Exhibit B

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Capital Grants, Contributions and Restricted Interest</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Governmental activities						
Instruction						
Regular instruction	\$ 4,080,310	\$ 291,321	\$ 811,981	\$ -	\$ (2,977,008)	\$ -
Special instruction	1,017,242	53,198	117,390	-	(846,654)	-
Other instruction	1,184,647	372,811	5,369	-	(806,467)	-
	<u>6,282,199</u>	<u>717,330</u>	<u>934,740</u>	<u>-</u>	<u>(4,630,129)</u>	<u>-</u>
Support services						
Student	241,524	-	-	-	(241,524)	-
Instructional staff	261,047	-	4,428	-	(256,619)	-
Administration	1,175,550	-	-	-	(1,175,550)	-
Operation and maintenance of plant	888,672	-	-	-	(888,672)	-
Transportation	406,777	-	4,096	-	(402,681)	-
	<u>2,973,570</u>	<u>-</u>	<u>8,524</u>	<u>-</u>	<u>(2,965,046)</u>	<u>-</u>
Other expenses						
Facilities acquisition	197,259	-	-	-	(197,259)	-
Long-term debt interest	127,910	-	-	-	(127,910)	-
AEA flowthrough	319,717	-	319,717	-	-	-
Depreciation (unallocated) *	131,390	-	-	-	(131,390)	-
	<u>776,276</u>	<u>-</u>	<u>319,717</u>	<u>-</u>	<u>(456,559)</u>	<u>-</u>
Total governmental activities	<u>10,032,045</u>	<u>717,330</u>	<u>1,262,981</u>	<u>-</u>	<u>(8,051,734)</u>	<u>-</u>

See notes to financial statements.

WEST BRANCH COMMUNITY SCHOOL DISTRICT

Exhibit C

Balance Sheet

Governmental Funds

June 30, 2014

Assets	General	Capital Projects			Total
		Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Nonmajor Governmental Funds	
Cash, cash equivalents and pooled investments					
Cash with fiscal agent	\$ -	\$ 446,560	\$ -	\$ -	\$ 446,560
Other	1,480,674	987,380	793,338	307,476	3,568,868
Receivables					
Property tax					
Delinquent	39,335	-	3,658	7,098	50,091
Succeeding year	3,557,929	-	307,378	663,763	4,529,070
Accounts receivable	63,036	-	-	2,589	65,625
Income surtax	204,501	-	204,501	-	409,002
Due from other governments	51,277	328,485	-	-	379,762
Total assets	<u>\$5,396,752</u>	<u>\$ 1,762,425</u>	<u>\$1,308,875</u>	<u>\$980,926</u>	<u>\$9,448,978</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 156,717	\$ -	\$ 19,189	\$ 9,302	\$ 185,208
Employee benefits payable	5,045	-	-	-	5,045
Total liabilities	<u>161,762</u>	<u>-</u>	<u>19,189</u>	<u>9,302</u>	<u>190,253</u>
Deferred inflows of resources					
Unavailable revenue					
Succeeding year property tax	3,557,929	-	307,378	663,763	4,529,070
Income surtax	204,501	-	204,501	-	409,002
Total deferred inflows of resources	<u>3,762,430</u>	<u>-</u>	<u>511,879</u>	<u>663,763</u>	<u>4,938,072</u>
Fund balances					
Restricted for					
Categorical funding	561,479	-	-	-	561,479
Debt service	-	-	-	39,606	39,606
Management levy purposes	-	-	-	147,686	147,686
Student activities	-	-	-	120,069	120,069
School infrastructure	-	1,762,425	-	500	1,762,925
Physical plant and equipment	-	-	777,807	-	777,807
Unassigned	911,081	-	-	-	911,081
Total fund balances	<u>1,472,560</u>	<u>1,762,425</u>	<u>777,807</u>	<u>307,861</u>	<u>4,320,653</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$5,396,752</u>	<u>\$ 1,762,425</u>	<u>\$1,308,875</u>	<u>\$980,926</u>	<u>\$9,448,978</u>

See notes to financial statements.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2014

Exhibit D

Total fund balances of governmental funds	\$4,320,653
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**Amounts reported for governmental activities in the Statement of Net Position
are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	8,452,539
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Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.	409,002
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Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(56,176)
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Long-term liabilities, including bonds payable, early retirement benefits payable, compensated absences payable and other postemployment benefits payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(4,681,446)</u>
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Net position of governmental activities	<u>\$8,444,572</u>
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WEST BRANCH COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

Exhibit E

	Capital Projects				
	General	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Nonmajor Governmental Funds	Total
Revenues					
Local sources					
Local tax	\$3,698,040	\$ -	\$ 551,610	\$ 625,591	\$4,875,241
Tuition	308,202	-	-	-	308,202
Other	118,582	1,706	-	379,252	499,540
State sources	4,274,992	750,260	98	271	5,025,621
Federal sources	195,187	-	-	-	195,187
Total revenues	<u>8,595,003</u>	<u>751,966</u>	<u>551,708</u>	<u>1,005,114</u>	<u>10,903,791</u>
Expenditures					
Current					
Instruction					
Regular	3,600,443	30,943	200,761	48,695	3,880,842
Special	1,012,148	-	-	-	1,012,148
Other	758,938	-	-	419,318	1,178,256
	<u>5,371,529</u>	<u>30,943</u>	<u>200,761</u>	<u>468,013</u>	<u>6,071,246</u>
Support services					
Student	240,100	-	-	-	240,100
Instructional staff	251,936	4,030	10,778	-	266,744
Administration	1,144,770	-	-	-	1,144,770
Operation and maintenance of plant	741,409	-	-	117,678	859,087
Transportation	343,557	-	-	13,704	357,261
	<u>2,721,772</u>	<u>4,030</u>	<u>10,778</u>	<u>131,382</u>	<u>2,867,962</u>
Other expenditures					
Facilities acquisition	-	32,393	164,866	-	197,259
Long-term debt					
Principal	-	-	-	500,000	500,000
Interest and fiscal charges	-	-	-	129,397	129,397
AEA flowthrough	319,717	-	-	-	319,717
	<u>319,717</u>	<u>32,393</u>	<u>164,866</u>	<u>629,397</u>	<u>1,146,373</u>
Total expenditures	<u>8,413,018</u>	<u>67,366</u>	<u>376,405</u>	<u>1,228,792</u>	<u>10,085,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>181,985</u>	<u>684,600</u>	<u>175,303</u>	<u>(223,678)</u>	<u>818,210</u>
Other financing sources (uses)					
Interfund operating transfers in	-	-	-	246,493	246,493
Sale of equipment and materials	18,685	-	-	-	18,685
Interfund operating transfers (out)	-	(246,493)	-	-	(246,493)
Total other financing sources (uses)	<u>18,685</u>	<u>(246,493)</u>	<u>-</u>	<u>246,493</u>	<u>18,685</u>
Change in fund balances	200,670	438,107	175,303	22,815	836,895
Fund balance, beginning of year	1,271,890	1,324,318	602,504	285,046	3,483,758
Fund balance, end of year	<u>\$1,472,560</u>	<u>\$ 1,762,425</u>	<u>\$ 777,807</u>	<u>\$ 307,861</u>	<u>\$4,320,653</u>

See notes to financial statements.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2014

Exhibit F

Change in fund balances - total governmental funds \$836,895

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures and depreciation expense are as follows:

Expenditures for capital assets	\$ 31,188	
Depreciation expense	<u>(314,360)</u>	(283,172)

Certain revenues not collected for several months after year end are not considered available revenues and are recognized as deferred inflows of resources in the governmental funds. 20,950

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 500,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, as follows:

Termination benefits	\$(129,907)	
Compensated absences	7,861	
Other postemployment benefits	<u>(42,733)</u>	(164,779)

Interest on long-term debt in the Statement of Activities differs from the amount in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 1,487

Change in net position of governmental activities \$911,381

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Statement of Net Position
Proprietary Fund
June 30, 2014

Exhibit G

	Nonmajor <u>Enterprise</u> School <u>Nutrition</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 84,674
Accounts receivable	1,352
Due from other governments	2,846
Inventories	<u>1,240</u>
Total current assets	90,112
Noncurrent assets	
Capital assets, net of accumulated depreciation	<u>23,559</u>
Total assets	<u><u>113,671</u></u>
 Liabilities	
Current liabilities	
Accounts payable	<u>5,622</u>
 Net Position	
Investment in capital assets	23,559
Unrestricted	<u>84,490</u>
Total net position	<u><u>\$ 108,049</u></u>

See notes to financial statements.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2014

Exhibit H

	<u>Nonmajor Enterprise School Nutrition</u>
Operating revenue	
Local sources	
Charges for service	<u>\$158,014</u>
Operating expenses	
Support services	
Instructional staff	
Purchased services	<u>500</u>
Operation and maintenance of plant	
Supplies	<u>2,612</u>
Non-instructional programs	
Food service operations	
Salaries	88,646
Benefits	28,521
Purchased services	3,484
Supplies	161,215
Depreciation	<u>3,960</u>
	<u>285,826</u>
Total operating expenses	<u>288,938</u>
Operating loss	<u>(130,924)</u>
Non-operating revenues	
Interest income	392
State sources	2,491
Federal sources	<u>132,772</u>
Total non-operating revenues	<u>135,655</u>
Change in net position	4,731
Net position beginning of year	<u>103,318</u>
Net position end of year	<u><u>\$108,049</u></u>

See notes to financial statements.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2014

Exhibit I

	<u>Nonmajor Enterprise School Nutrition</u>
Cash flows from operating activities	
Cash received from sale of services	\$ 157,763
Cash payments to employees for services	(117,167)
Cash payments to suppliers for goods and services	<u>(150,027)</u>
Net cash used in operating activities	<u>(109,431)</u>
Cash flows from non-capital financing activities	
State grants received	2,491
Federal grants received	<u>117,223</u>
Net cash provided by non-capital financing activities	<u>119,714</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	<u>(6,450)</u>
Cash flows from investing activities	
Interest on investments	<u>392</u>
Net increase in cash and cash equivalents	4,225
Cash and cash equivalents, beginning of year	<u>80,449</u>
Cash and cash equivalents, end of year	<u><u>\$ 84,674</u></u>

**Reconciliation of operating loss to net cash
used in operating activities**

Operating loss	\$(130,924)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	3,960
Commodities used	12,703
(Increase) in accounts receivable	(251)
Decrease in inventory	4,031
Increase in accounts payable	<u>1,050</u>
Net cash used in operating activities	<u><u>\$(109,431)</u></u>

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2014, the District received \$12,703 of federal commodities.

See notes to financial statements.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2014

Exhibit J

	<u>Agency</u>
Assets	
Cash, cash equivalents and pooled investments	\$24,322
Liabilities	
Due to others	<u>24,322</u>
Net position	<u><u>\$ -</u></u>

See notes to financial statements.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2014

Note 1. Summary of Significant Accounting Policies

The West Branch Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades pre-kindergarten through twelve. The geographic area served includes the City of West Branch, Iowa, and the agricultural territory in Cedar and Johnson Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, West Branch Community School District has included all funds, organizations, agencies, boards, commissions, and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. The West Branch Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District's nonfiduciary assets, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Capital Projects Statewide Sales, Services and Use Tax Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets from the revenue of the Statewide Sales, Services and Use Tax.

The Capital Projects Physical Plant and Equipment Levy Fund is used to account for a regular property tax levy and a special voted property tax levy per thousand dollars of assessed valuation in the District for use in the purchase of equipment and repairing and improving school buildings and grounds.

The District reports no major proprietary funds; however, it reports one non-major proprietary fund, the School Nutrition Fund, which is used to account for the food service operations of the District.

The District also reports a fiduciary fund which focuses on net position and changes in net position. The District's fiduciary fund consists of the following:

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations. The District's Agency Fund is used to account for activity of a student assistance program.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, compensated absences, termination benefits and claims and judgments are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents and Pooled Investments - The cash balances of most District funds are pooled and invested. Investments are stated at fair value, except for the investment in the Iowa Schools Joint Investment Trust, which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

The Iowa Schools Joint Investment Trust is a common law trust established under Iowa law and is administered by an appointed investment management company. The fair value of the position in the trust is the same as the value of the shares.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable - Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current year and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½ % per month penalty for delinquent payments; is based on January 1, 2012 assessed property valuations; is for the tax accrual period July 1, 2013 through June 30, 2014 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2013.

Due From Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets - Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 2,500
Buildings	\$ 2,500
Improvements other than buildings	\$ 2,500
Intangibles	\$25,000
Furniture and equipment:	
School Nutrition Fund equipment	\$ 500
Other furniture and equipment	\$ 2,500

Capital assets are depreciated using the straight line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings and improvements	20-50 years
Improvements other than buildings	20 years
Intangibles	5-10 years
Furniture and equipment	4-20 years

Salaries and Benefits Payable - Teacher contracts and payroll for hourly employees are paid at June 30, 2014; however, the benefits on these payments are not paid until July. Therefore, these benefits have been accrued as liabilities.

Deferred Inflows of Resources - Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in

the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax and income surtax receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Termination Benefits - District employees meeting certain requirements are eligible for early retirement benefits. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees that have resigned or retired. The early retirement liability has been computed based on rates of pay in effect at June 30, 2014. The early retirement liability attributable to the governmental activities will be paid primarily from the Management Fund.

Compensated Absences - Certain District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2014. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

Fund Equity - In the governmental fund financial statements, fund equity is classified as follows:

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Unassigned - All amounts not included in other spendable classifications.

Net Position - In the district-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation

Net position restricted through enabling legislation includes \$17,779 for management levy purposes, \$982,308 for physical plant and equipment, \$120,069 for student activities and \$1,762,925 for school infrastructure.

E. Budgeting and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

F. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Cash, Cash Equivalents and Pooled Investments

The District's deposits in banks at June 30, 2014 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2014, the District had investments in the Iowa Schools Joint Investment Trust Diversified Portfolio which are valued at an amortized cost of \$803,257 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Credit risk. The investments in the Iowa Schools Joint Investment Trust were rated AAAm by Standard & Poor's Financial Services.

Note 3. Interfund Transfers

The details of interfund transfers for the year ended June 30, 2014 are as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
Nonmajor governmental	Capital Projects	
Debt Service	Statewide Sales, Services and Use Tax	\$ 246,493

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. The transfer from the Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was for payment of principal and interest on long-term debt.

Note 4. Capital Assests

Capital assets activity for the year ended June 30, 2014 was as follows:

	Balance, Beginning of Year	Additions	Deletions	Balance, End of Year
<u>Governmental activities</u>				
Capital assets not being depreciated:				
Land	\$ 116,055	\$ -	\$ -	\$ 116,055
Capital assets being depreciated:				
Buildings and improvements	11,918,743	-	-	11,918,743
Improvements other than buildings	1,081,833	-	-	1,081,833
Furniture and equipment	<u>1,451,774</u>	<u>31,188</u>	-	<u>1,482,962</u>
Total capital assets being depreciated	<u>14,452,350</u>	<u>31,188</u>	-	<u>14,483,538</u>
Less accumulated depreciation for:				
Buildings and improvements	3,951,074	225,443	-	4,176,517
Improvements other than buildings	675,672	35,052	-	710,724
Furniture and equipment	<u>1,205,948</u>	<u>53,865</u>	-	<u>1,259,813</u>
Total accumulated depreciation	<u>5,832,694</u>	<u>314,360</u>	-	<u>6,147,054</u>
Total capital assets being depreciated, net	<u>8,619,656</u>	<u>(283,172)</u>	-	<u>8,336,484</u>
Governmental activities capital assets, net	<u>\$ 8,735,711</u>	<u>\$ (283,172)</u>	<u>\$ -</u>	<u>\$ 8,452,539</u>
<u>Business type activities</u>				
Furniture and equipment	\$ 135,851	\$ 6,450	\$ -	\$ 142,301
Less accumulated depreciation	<u>114,782</u>	<u>3,960</u>	-	<u>118,742</u>
Business type activities capital assets, net	<u>\$ 21,069</u>	<u>\$ 2,490</u>	<u>\$ -</u>	<u>\$ 23,559</u>

Depreciation expense was charged to the following functions:

Governmental activities

Instruction	
Regular	\$ 75,836
Other	461
Support services	
Instructional staff	539
Administration	2,550
Operation and maintenance of plant	32,736
Transportation	<u>70,848</u>
	182,970
Unallocated depreciation	<u>131,390</u>
Total governmental activities depreciation expense	<u>\$ 314,360</u>

Business type activities

Food services	<u>\$ 3,960</u>
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Note 5. Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2014 are summarized as follows:

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Due Within One Year
Governmental activities					
General obligation bonds	\$ 1,820,000	\$ -	\$(365,000)	\$ 1,455,000	\$ 370,000
Revenue bonds	2,985,000	-	(135,000)	2,850,000	135,000
Termination benefits	-	129,907	-	129,907	94,225
Compensated absences	42,454	25,654	(33,515)	34,593	-
Net OPEB liability	<u>169,213</u>	<u>59,713</u>	<u>(16,980)</u>	<u>211,946</u>	<u>-</u>
Totals	<u>\$ 5,016,667</u>	<u>\$ 215,274</u>	<u>\$(550,495)</u>	<u>\$ 4,681,446</u>	<u>\$ 599,225</u>

Interest costs incurred and charged to expense on all long-term debt was \$127,910 for the year ended June 30, 2014. During the year ended June 30, 2014, the District made principal payments on long-term debt of \$500,000.

Termination Benefits

The District offers a voluntary early retirement plan to its certified employees, who meet certain eligibility guidelines. This voluntary early retirement plan is offered annually at the board's discretion. Eligible employees must be at least age fifty-five and have completed fourteen years of consecutive service to the District. Employees must complete an application, which is required to be approved by the Board of Education.

All employees who apply and are approved will receive a 50% benefit based upon certain criteria. For a teacher, the benefit is based upon the Schedule A salary, longevity and extended contract. Excluded from consideration is Phase I, II and III monies, Schedule B salary, and teacher quality money. Benefits for all other employees shall be based upon the contracted salary or yearly salary based on letter of assignment. Benefits for part-time employees shall be prorated as determined by the average of full-time equivalency of the last five years of employment.

The early retirement benefits are as follows:

- A. If the employee wishes to remain on the District's insurance policy, the amount of the benefit will be placed in a Health Care Savings Plan. This contribution will be made on behalf of the employee tax-free. The deposits will grow tax-free and are used at retirement tax-free for eligible medical expenses and premiums.
- B. If the employee waives the District's health insurance policy, the benefit will be placed in a special pay deferral plan (403(b)). The contribution will be made on behalf of the employee tax-deferred. The deposits grow tax-deferred and can be accessed by the retiree at any time. The withdrawals will be taxable at the time of withdrawal to the employee.

The employee must notify the Board on or before February 1st to receive the early retirement benefits. Depending upon the economic impact to the District, the Board may limit the number of employees allowed to take early retirement in any fiscal year. At June 30, 2014, there were five individuals receiving the benefit and the total liability was \$129,907.

Compensated Absences

District employees accumulate vacation and compensatory hours for subsequent use or for payment upon termination, retirement, or death. These accumulations are not recognized as expenditures by the District until used or paid. The District's approximate maximum liability for unrecognized accrued employee benefits at June 30, 2014 was \$34,593.

Refunded General Obligation Bonds

On March 6, 2012, the District issued \$2,175,000 of general obligation bonds to refund the general obligation bond issue of July 1, 2008. On June 1, 2012 the remaining balance of \$2,445,000 of the 2008 issue was called and paid from the proceeds of the refunding general obligation bonds. This amount is considered to be extinguished and, therefore, excluded from the long-term debt of the District at June 30, 2013. This current refunding was undertaken to reduce total debt service payments over the next six years by \$182,200 and resulted in an economic gain of \$178,202.

Details of the District's June 30, 2014 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Bond issue of March 6, 2012			
	Interest Rates	Interest	Principal	Total
2015	0.600%	\$ 13,262	\$ 370,000	\$ 383,262
2016	0.800%	11,043	360,000	371,043
2017	1.000%	8,162	360,000	368,162
2018	1.250%	4,563	365,000	369,563
Totals		<u>\$ 37,030</u>	<u>\$ 1,455,000</u>	<u>\$ 1,492,030</u>

Revenue Bonds

Details of the District's June 30, 2014 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year	Bond issue of June 1, 2010			
Ending	Interest			
June 30,	Rates	Interest	Principal	Total
2015	2.00	\$ 108,792	\$ 135,000	\$ 243,792
2016	3.00	105,417	135,000	240,417
2017	3.00	101,367	135,000	236,367
2018	3.25	97,067	140,000	237,067
2019	3.50	92,167	150,000	242,167
2020-2024	3.7-4.1%	368,641	845,000	1,213,641
2025-2029	4.15-4.35%	172,723	1,065,000	1,237,723
2030	4.40%	5,390	245,000	250,390
Totals		<u>\$ 1,051,564</u>	<u>\$ 2,850,000</u>	<u>\$ 3,901,564</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$3,255,000 of bonds issued in June 2010. The bonds were issued for the purpose of financing a portion of the costs of a weight room and practice gym construction project. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual interest payments on the bonds are expected to require approximately 50 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$3,901,564 at June 30, 2014. For the current year, there was \$111,493 of interest and \$135,000 of principal paid on the bonds and total statewide sales, services and use tax revenues were \$750,260.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

- a) \$256,002 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account.
- b) Proceeds of the bonds shall be deposited into the Project Account, which is to be used to finance the construction project. Interest earned by the Project Account shall remain in the Project Account and be spent in accordance with the resolution and applicable provisions of the Code.
- c) All proceeds from the statewide sales, services and use tax shall be placed in the Revenue Account.
- d) Monies in the Revenue Account shall be disbursed to make deposits into the Sinking Account to pay the principal and interest requirements of the revenue bonds.
- e) Any monies remaining in the Revenue Account after the required transfer to the Sinking Account may be transferred to the Project Account to be used for any lawful purpose.

The District complied with all the revenue bond provisions during the year ending June 30, 2014.

Note 6. Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, IA, 50306-9117.

Plan members are required to contribute 5.95%, 5.78% and 5.38% of their annual covered salary and the District is required to contribute 8.93%, 8.67% and 8.07% of annual covered payroll for the years ended June 30, 2014, 2013 and 2012 respectively. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$441,754, \$411,722 and \$374,638, respectively, equal to the required contributions for each year.

Note 7. Other Postemployment Benefits (OPEB)

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 122 active members, of which 33 waived coverage, 7 were excluded from the valuation due to various reasons, and 4 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit rate subsidy and an OPEB liability.

Funding Policy - The contribution requirements of the plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2014, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 55,483
Interest on net OPEB obligation	4,230
Adjustment to annual required contribution	<u>(13,375)</u>
Annual OPEB cost	46,338
Contributions made	<u>(3,605)</u>
Increase in net OPEB obligation	42,733
Net OPEB obligation beginning of year	<u>169,213</u>
Net OPEB obligation end of year	<u>\$ 211,946</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2014.

For the year ended June 30, 2014, the District contributed \$3,605 to the medical plan. Plan members eligible for benefits contributed nothing of the premium costs for the OPEB obligation.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2014 are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 43,998	6.3%	\$ 41,228
2011	\$ 44,536	7.8%	\$ 82,290
2012	\$ 48,308	8.7%	\$ 126,393
2013	\$ 50,593	15.4%	\$ 169,213
2014	\$ 46,338	7.8%	\$ 211,946

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2014, the actuarial accrued liability was \$281,716, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$281,716. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$5 million and the ratio of UAAL to covered payroll was 5.6%. As of June 30, 2014, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as Required Supplementary Information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of July 1, 2012 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%. The ultimate medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2011 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2011.

The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 8. Risk Management

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 9. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media, and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$319,717 for the year ended June 30, 2014 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 10. Contingencies

Grant Funding - The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants were subjected to local audit but still remain open to audit by the appropriate grantor government. If expenditures are disallowed by the grantor government due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2014, significant amounts of grant expenditures have not been audited by granting authorities but the District believes that disallowed expenditures, if any,

based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

Note 11. Categorical Funding

The District's restricted fund balance for categorical funding at June 30, 2014 is comprised of the following programs:

Program

Limited English proficiency program	\$ 2,925
Gifted and talented	148,684
Returning dropout and dropout prevention program	129,565
Four-year-old preschool state aid	139,795
Beginning teacher mentoring and induction program	10,802
Teacher salary supplement	57,897
Class size reduction	30,641
Textbook aid for nonpublic students	3,430
Early literacy	15,127
Educator quality, professional development for model core curriculum	9,444
Educator quality, professional development	11,664
Teacher leadership	<u>1,505</u>
	<u>\$ 561,479</u>

Note 12. Unspent Authorized Budget

The District's unspent authorized budget, as calculated by the Iowa Department of Management was \$1,306,193 at June 30, 2014.

Note 13. Solvency Ratio

The District's solvency ratio at June 30, 2014 is calculated as follows:

$$\frac{\text{Unassigned General Fund Balance}}{\text{General Fund Revenues}} = \frac{\$ 911,081}{\$8,595,003} = 10\%$$

Note 14. Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

Required Supplementary Information

WEST BRANCH COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual

All Governmental Funds and Proprietary Fund

Required Supplementary Information

For the Year Ended June 30, 2014

	Governmental Funds Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts Original	Final	Final to Actual Variance
Revenues						
Local sources	\$ 5,682,983	\$ 158,406	\$ 5,841,389	\$ 6,266,478	\$ 6,266,478	\$ (425,089)
State sources	5,025,621	2,491	5,028,112	4,066,992	4,066,992	961,120
Federal sources	195,187	132,772	327,959	165,000	165,000	162,959
Total revenues	<u>10,903,791</u>	<u>293,669</u>	<u>11,197,460</u>	<u>10,498,470</u>	<u>10,498,470</u>	<u>698,990</u>
Expenditures/Expenses						
Instruction	6,071,246	-	6,071,246	6,525,000	6,525,000	453,754
Support services	2,867,962	3,112	2,871,074	3,360,000	3,360,000	488,926
Non-instructional programs	-	285,826	285,826	365,000	365,000	79,174
Other expenditures	1,146,373	-	1,146,373	2,366,062	2,366,062	1,219,689
Total expenditures/expenses	<u>10,085,581</u>	<u>288,938</u>	<u>10,374,519</u>	<u>12,616,062</u>	<u>12,616,062</u>	<u>2,241,543</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	818,210	4,731	822,941	(2,117,592)	(2,117,592)	2,940,533
Net other financing sources	<u>18,685</u>	<u>-</u>	<u>18,685</u>	<u>-</u>	<u>-</u>	<u>18,685</u>
Change in fund balance	836,895	4,731	841,626	(2,117,592)	(2,117,592)	2,959,218
Balance, beginning of year	3,483,758	103,318	3,587,076	2,279,198	2,279,198	1,307,878
Balance, end of year	<u>\$ 4,320,653</u>	<u>\$ 108,049</u>	<u>\$ 4,428,702</u>	<u>\$ 161,606</u>	<u>\$ 161,606</u>	<u>\$ 4,267,096</u>

See accompanying Independent Auditor's Report.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information – Budgetary Reporting
For the Year Ended June 30, 2014

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures/expenses known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. The District did not amend the certified budget during the year ended June 30, 2014.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Schedule of Funding Progress for the
Retiree Health Plan
Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	\$ -	\$268,375	\$268,375	\$ -	\$4,628,758	5.8%
2011	July 1, 2009	-	268,375	268,375	-	4,499,215	6.0%
2012	July 1, 2009	-	268,375	268,375	-	4,781,915	5.6%
2013	July 1, 2012	-	290,703	290,703	-	4,891,950	5.9%
2014	July 1, 2012	-	281,716	281,716	-	5,014,896	5.6%

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

Supplementary Information

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

Schedule 1

	<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Debt</u>	
	<u>Student Activity</u>	<u>Management Levy</u>	<u>Other Projects</u>	<u>Service</u>	<u>Total</u>
Assets					
Cash, cash equivalents and pooled investments	\$ 126,782	\$144,936	\$ 500	\$ 35,258	\$307,476
Receivables					
Property tax					
Delinquent	-	2,750	-	4,348	7,098
Succeeding year	-	279,999	-	383,764	663,763
Accounts receivable	2,589	-	-	-	2,589
Total assets	<u>\$ 129,371</u>	<u>\$427,685</u>	<u>\$ 500</u>	<u>\$423,370</u>	<u>\$980,926</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	<u>\$ 9,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,302</u>
Deferred inflows of resources					
Unavailable revenue					
Succeeding year property tax	<u>-</u>	<u>279,999</u>	<u>-</u>	<u>383,764</u>	<u>663,763</u>
Fund balances					
Restricted for					
Debt service	-	-	-	39,606	39,606
Management levy purposes	-	147,686	-	-	147,686
Student activities	120,069	-	-	-	120,069
School infrastructure	-	-	500	-	500
Total fund balances	<u>120,069</u>	<u>147,686</u>	<u>500</u>	<u>39,606</u>	<u>307,861</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 129,371</u>	<u>\$427,685</u>	<u>\$ 500</u>	<u>\$423,370</u>	<u>\$980,926</u>

See accompanying Independent Auditor's Report.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

Schedule 2

	Special Revenue		Capital Projects	Debt	Total
	Student Activity	Management Levy	Other Projects	Service	
Revenues					
Local sources					
Local tax	\$ -	\$242,360	\$ -	\$383,231	\$ 625,591
Other	373,752	5,500	-	-	379,252
State sources	-	57	-	214	271
Total revenues	<u>373,752</u>	<u>247,917</u>	<u>-</u>	<u>383,445</u>	<u>1,005,114</u>
Expenditures					
Current					
Instruction					
Regular	-	48,695	-	-	48,695
Other	419,318	-	-	-	419,318
Total instruction	<u>419,318</u>	<u>48,695</u>	<u>-</u>	<u>-</u>	<u>468,013</u>
Support services					
Operation and maintenance of plan	-	117,678	-	-	117,678
Transportation	-	13,704	-	-	13,704
Total support services	<u>-</u>	<u>131,382</u>	<u>-</u>	<u>-</u>	<u>131,382</u>
Other expenditures					
Long-term debt					
Principal	-	-	-	500,000	500,000
Interest and fiscal charges	-	-	-	129,397	129,397
Total other expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>629,397</u>	<u>629,397</u>
Total expenditures	<u>419,318</u>	<u>180,077</u>	<u>-</u>	<u>629,397</u>	<u>1,228,792</u>
Excess (deficiency) of revenues over (under) expenditures	(45,566)	67,840	-	(245,952)	(223,678)
Other financing sources					
Interfund operating transfers in	-	-	-	246,493	246,493
Change in fund balances	(45,566)	67,840	-	541	22,815
Fund balances, beginning of year	<u>165,635</u>	<u>79,846</u>	<u>500</u>	<u>39,065</u>	<u>285,046</u>
Fund balances, end of year	<u>\$120,069</u>	<u>\$147,686</u>	<u>\$ 500</u>	<u>\$ 39,606</u>	<u>\$ 307,861</u>

See accompanying Independent Auditor's Report.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
For the Year Ended June 30, 2014

Schedule 3

Account	Balance, Beginning of Year	Revenues	Expenditures	Intrafund Transfers	Balance, End of Year
Drama	\$ 3,397	\$ 17,749	\$ 4,505	\$ (15,000)	\$ 1,641
Arts Angels	565	75	-	(640)	-
HS art	1,527	250	421	25	1,381
HS vocal music	-	120	3,526	3,812	406
HS instrumental music	2,201	2,721	2,878	-	2,044
Show choir	1,622	43,469	42,627	615	3,079
Music travel	-	598	-	(598)	-
MS instrumental music	4,992	3,672	5,271	(2,000)	1,393
Musical	2,104	3,821	8,993	3,068	-
Swing show	5,060	5,759	2,235	(5,765)	2,819
Athletics	7,707	55,096	72,337	27,328	17,794
Booster club donation	-	30,000	-	(30,000)	-
Golf fundraiser	1,723	3,398	4,299	(375)	447
Scoreboard Fund	1,281	-	-	(1,281)	-
Drill team	35	-	-	(35)	-
Boys basketball camp	9,913	8,984	15,868	-	3,029
Football fundraiser	14,070	30,925	38,073	2,075	8,997
MS football	169	-	10	-	159
Baseball fundraiser	6,746	5,929	6,924	-	5,751
Boys track fundraiser	1,210	1,047	1,403	-	854
Boys golf	-	-	375	375	-
Wrestling fundraiser	(1)	6,126	8,433	2,520	212
Girls basketball camp	4,475	3,569	4,226	-	3,818
Volleyball fundraiser	3,053	2,971	6,270	815	569
Softball captains	2,581	4,279	4,949	-	1,911
Girls track fundraiser	4,025	6,534	5,563	-	4,996
Girls golf	-	-	-	-	-
Cheerleaders	3,217	14,887	16,205	35	1,934
Winter Cheer Fund Balance	-	1,261	1,482	221	-
HS manufacturing	-	1,119	1,125	6	-
Industrial tech club	648	981	1,169	(6)	454
Calendar	930	-	-	(930)	-
Spanish club	-	-	-	-	-
High school fund	5,264	10,023	4,522	(8,920)	1,845
Elementary school fund	6,603	14,424	17,283	-	3,744
HS yearbook	8,588	7,943	7,252	-	9,279
HS student government	553	5,681	5,105	-	1,129

See accompanying Independent Auditor's Report.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
For the Year Ended June 30, 2014

Schedule 3

Account	Balance, End of Year	Revenues	Expenditures	Intrafund Transfers	Balance, End of Year
Journalism - The Bear	\$ 6,427	\$ 3,482	\$ 5,261	\$ -	\$ 4,648
Middle school fund	6,664	18,114	30,649	5,871	-
Hoover IMC	425	7,404	7,193	-	636
MS IMC	111	48	50	(108)	1
HS media	821	32	-	-	853
MS pop fund	-	-	209	209	-
FFA Donatino Fund	4,090	205	-	-	4,295
Family and consumer science	318	-	-	-	318
FFA	4,023	28,037	25,166	-	6,894
MS yearbook	804	2,999	2,951	-	852
National Honor Society	1,894	930	1,683	-	1,141
Central office	289	-	-	-	289
Economics club	384	-	-	-	384
Entrepreneurship	150	-	-	-	150
Ski club	1,507	-	-	-	1,507
Class of					
2012	886	-	-	(886)	-
2013	790	-	-	(790)	-
2014	1,104	455	431		1,128
2015	-	7,380	7,669	289	-
Hart Donation	8,627	-	-	(1,543)	7,084
National Art Honor Society	144	-	-		144
Robotics Fund Balance	-	10,314	18,962	8,648	-
Interest	1,901	941	-	(1,500)	1,342
Fine Art Fund Balance	20,000	-	25,765	14,483	8,718
Concessions	18	-	-	(18)	-
Totals	<u>\$ 165,635</u>	<u>\$ 373,752</u>	<u>\$ 419,318</u>	<u>\$ -</u>	<u>\$ 120,069</u>

See accompanying Independent Auditor's Report.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Fund
For the Year Ended June 30, 2014

Schedule 4

	Balance, Beginning of <u>Year</u>	<u>Additions</u>	<u>Deductions</u>	Balance, End of <u>Year</u>
Assets				
Cash	<u>\$20,414</u>	<u>\$ 6,003</u>	<u>\$2,095</u>	<u>\$24,322</u>
 Liabilities				
Due to others	<u>\$20,414</u>	<u>\$ 6,003</u>	<u>\$2,095</u>	<u>\$24,322</u>

See accompanying Independent Auditor's Report.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Ten Years

Schedule 5

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Local sources										
Local Tax	\$ 4,875,241	\$ 5,116,614	\$ 4,925,577	\$ 4,691,275	\$ 4,398,381	\$ 4,134,684	\$ 3,802,558	\$ 3,530,153	\$ 3,207,158	\$ 3,046,484
Tuition	308,202	320,063	359,884	341,921	311,607	333,537	296,713	256,336	257,077	233,158
Other	499,540	584,479	505,439	639,325	503,215	645,394	513,804	480,679	452,359	375,715
Intermediate sources	-	-	-	-	-	-	-	-	-	4,944
State sources	5,025,621	3,943,390	3,891,294	3,871,506	3,165,553	3,626,646	3,487,950	3,366,620	3,138,714	3,079,953
Federal sources	195,187	164,534	378,910	373,888	623,876	232,285	161,439	103,837	101,670	110,254
Total revenues	<u>\$10,903,791</u>	<u>\$10,129,080</u>	<u>\$10,061,104</u>	<u>\$ 9,917,915</u>	<u>\$ 9,002,632</u>	<u>\$ 8,972,546</u>	<u>\$ 8,262,464</u>	<u>\$7,737,625</u>	<u>\$7,156,978</u>	<u>\$6,850,508</u>
Expenditures										
Current										
Instruction										
Regular	\$ 3,880,842	\$ 3,888,687	\$ 4,030,291	\$ 3,248,979	\$ 3,462,979	\$ 3,861,631	\$ 3,314,655	\$ 3,207,172	\$ 2,986,032	\$ 2,715,358
Special	1,012,148	1,005,937	1,014,462	814,181	838,044	823,485	792,696	638,373	695,927	607,288
Other	1,178,256	1,147,033	897,540	1,202,122	1,091,710	834,467	694,487	634,199	611,646	769,602
Support services										
Student	240,100	198,984	202,912	232,893	237,065	211,360	162,540	150,008	176,789	114,682
Instructional staff	266,744	286,917	237,462	173,521	176,563	171,126	186,690	169,815	168,855	225,587
Administration	1,144,770	1,061,669	954,773	938,799	939,060	853,682	834,217	788,900	700,320	637,241
Operation and maintenance of plant	859,087	824,134	749,357	801,827	669,541	621,572	608,323	607,274	631,269	608,420
Transportation	357,261	341,087	345,223	328,325	428,549	311,792	388,764	285,488	335,477	293,685
Non-instructional programs	-	-	-	1,000	1,000	1,891	-	-	-	-
Other expenditures										
Facilities acquisition	197,259	303,625	2,963,978	1,666,903	1,461,246	2,598,230	718,263	476,773	490,044	196,359
Long-term debt										
Principal	500,000	490,000	2,580,000	310,000	364,752	290,000	-	-	-	-
Interest and other charges	129,397	137,262	250,861	177,330	107,942	123,851	-	-	-	9,150
AEA flowthrough	319,717	300,097	300,567	324,731	309,998	268,952	253,937	244,724	222,290	219,163
Total expenditures	<u>\$10,085,581</u>	<u>\$ 9,985,432</u>	<u>\$14,527,426</u>	<u>\$10,220,611</u>	<u>\$10,088,449</u>	<u>\$10,972,039</u>	<u>\$ 7,954,572</u>	<u>\$7,202,726</u>	<u>\$7,018,649</u>	<u>\$6,396,535</u>

See accompanying Independent Auditor's Report.

Kay L. Chapman, CPA PC

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Independent Auditor's Report on Internal Control
over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Education of
West Branch Community School District:

I have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of West Branch Community School District as of and for the year ended June 30, 2014, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated February 26, 2015.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered West Branch Community School District's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Branch Community School District's internal control. Accordingly, I do not express an opinion on the effectiveness of West Branch Community School District's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, I identified deficiencies in internal control I consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. I consider the deficiencies described in Part I of the accompanying Schedule of Findings as items A and B to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Branch Community School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of non-compliance or other matters which are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of the District. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

West Branch Community School District's Responses to Findings

West Branch Community School District's responses to the findings identified in my audit are described in the accompanying Schedule of Findings. West Branch Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of West Branch Community School District during the course of my audit. Should you have any questions concerning any of the about matters, I shall be pleased to discuss them with you at your convenience.



Kay L. Chapman, CPA PC
February 26, 2015

WEST BRANCH COMMUNITY SCHOOL DISTRICT

Schedule of Findings

For the Year Ended June 30, 2014

Part I. Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES

- A. Segregation of Duties - The limited number of accounting personnel makes it difficult to achieve adequate internal accounting control through the segregation of duties and responsibilities. I noted that the following duties were performed by the same individual: recording and processing cash receipts, preparing checks and bank reconciliations, preparation of journals and general financial information for ledger posting, and the analysis of financial information. A small staff makes it difficult to establish an ideal system of automatic internal checks on accounting record accuracy and reliability, although I noted the District had taken steps to segregate duties between the present personnel. This is not an unusual condition but it is important the District officials are aware that the condition exists.

Recommendation - I realize that with a limited number of office employees, segregation of duties is difficult. However, the District should review the operating procedures of the District to obtain the maximum internal control possible under the circumstances.

Response - We will review our procedures and implement changes to improve internal control, as we deem necessary.

Conclusion - Response accepted.

- B. Material Misstatement not Detected - During the course of my audit, I discovered one material misstatement on the District's Certified Annual Report (CAR) that was not detected by the District's internal controls. The District's general fixed asset account was understated by \$173,489 due to school nutrition fund assets being removed from the account even though they were not included in the original amount reported in the general fixed assets account.

Recommendation - An effective system of internal control should detect material misstatements in the District's financial records and financial reporting. The District should review their control procedures and make appropriate changes to improve their internal controls to help eliminate this deficiency.

Response - We feel that our business manager has the knowledge needed to adequately perform her duties. The superintendent reviews some, but not all of the work performed and reports prepared by the business manager. We would like to hire additional office personnel to help with the business manager's workload and to provide more oversight and cross-checking of her work. However, with a limited budget, it is difficult to hire enough adequately-trained office personnel to review each other's work. We will review our procedures and consider making changes we deem necessary.

Conclusion - Response accepted.

WEST BRANCH COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2014

INSTANCES OF NON-COMPLIANCE

No matters were noted.

Part II. Other Findings Related to Required Statutory Reporting:

1. Certified Budget - Expenditures for the year ended June 30, 2014 did not exceed the amounts budgeted.
2. Questionable Expenditures - I noted no expenditures that did not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979, were noted.
3. Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
4. Business Transactions - No business transactions between the District and District officials or employees were noted.
5. Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
6. Board Minutes - I noted no transactions requiring Board approval which had not been approved by the Board. However, the authorized depositories and the corresponding deposit limits were not included in the minutes.

Recommendation - Chapter 12C of the Code of Iowa requires that the District's approved depositories and the corresponding maximum authorized deposit limits be included in the board minutes. The District should ensure that they comply with Chapter 12C of the Code of Iowa and include the required information in the minutes.

Response - This was an oversight and in the future, we will ensure that the information is included in the minutes to comply with Chapter 12C of the Code of Iowa.

Conclusion - Response accepted.

7. Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
8. Supplementary Weighting - No variances in the supplementary weighting certified to the Iowa Department of Education were noted.

WEST BRANCH COMMUNITY SCHOOL DISTRICT

Schedule of Findings

For the Year Ended June 30, 2014

9. Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
10. Certified Annual Reports - The Certified Annual Report was certified timely to the Department of Education; however, there were some material misstatements as detailed in comment B in Part I of this Schedule of Findings.

Recommendation - The District should ensure that all reports are submitted in a timely manner in the future.

Response - We will ensure that future CARs contain correct information when it is filed with the Iowa Department of Education.

Conclusion - Response accepted.

11. Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.
12. Statewide Sales, Services and Use Tax - No instances of noncompliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2014, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 1,324,318
Revenues		
Statewide sales and services tax revenue	\$ 750,260	
Other local revenues	<u>1,706</u>	751,966
Expenditures/transfers out		
School infrastructure		
School infrastructure construction	\$ 32,393	
Equipment	34,973	
Debt service for school infrastructure		
General obligation debt	<u>246,493</u>	<u>313,859</u>
Ending balance		<u>\$ 1,762,425</u>

For the year ended June 30, 2014, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

WEST BRANCH COMMUNITY SCHOOL DISTRICT

Audit Staff

June 30, 2014

This audit was performed by

Kay Chapman, CPA

Terri Slater, staff accountant